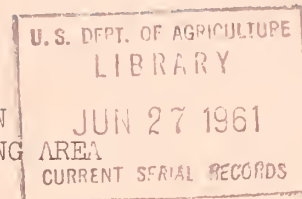


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
A280,3449
C39

MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
May 1961



Volume 5

Number 10

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-CSS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY-MAY 1961

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.65, Excess Milk \$3.09. The butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During May 66.4% of producer milk was priced in Class I at \$5.14 per cwt. with a butterfat differential of 7.9 cents and 33.6% was priced in Class II at \$3.13 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 66.9% and 56.9% respectively. Base milk was 86.0% and excess milk was 14.0% of the total producer deliveries. All excess milk and 22.8% base milk was priced in Class II and 77.2% of base milk was priced in Class I.

The daily average deliveries of producer milk during May decreased 0.2% compared with April and increased 12.4% compared with May 1960. The daily average use of Class I milk decreased 2.8% compared with April and decreased 0.2% compared with May 1960. The daily average base delivered was 95.5% of the established base. The daily average of 735 pounds ($85\frac{1}{2}$ Gal.) per farm is an increase of 98 pounds ($11\frac{1}{2}$ Gal.) per farm over May 1960.

MILK SAMPLES TESTED - Producer Fresh Samples 5,708 - Handler Finished Products 291.

NUMBER OF FARM PAYROLL ACCOUNTS

	1960								1961				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
New	0	2	3	17	22	6	4	2	2	1	2	3	2
Quit	5	4	8	7	15	11	7	8	13	3	3	3	2
Total	697	695	690	700	707	702	699	693	682	680	679	679	679

JUNE IS DAIRY MONTH - PROMOTE YOUR PRODUCT

June has been proclaimed as "Dairy Month." In June of each year, a special effort by all the dairy industry is exerted to inform the public that milk is nature's most nearly perfect food. Are you doing your part to promote your product? Milk contains all the food elements for growth and health. These elements are: Protein--essential for growth and helps build muscle tissue. Carbohydrates-Fats--the chief source of energy for work and heat to keep us warm. Minerals--calcium and phosphorus, the two minerals needed in large amounts for bones and teeth. Vitamins--necessary for growth and well-being and for protection against certain diseases. It is reported by the Bureau of Labor Statistics that only 6.7 minutes of factory work is needed to earn the price of one quart of milk. This is 2.8 minutes or 30% less than in 1947. Over 23% of the family budget is spent for dairy products, yet it supplies 40% of the food needs, making it the cheapest source of food available.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>May '61</u>	<u>Apr. '61</u>	<u>May '60</u>
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	499,382	500,199	444,101
% May '61 compared with:	100.0	99.8	112.4
Other Source Milk	20,253	19,447	8,522
Other Order Milk	23,402	4,929	8,474
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>543,037</u>	<u>524,575</u>	<u>461,097</u>
% May '61 compared with:	100.0	103.5	117.8
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	275,895	283,960	276,039
Fluid Skim	13,162	13,764	9,412
Buttermilk	36,506	37,765	38,319
Chocolate Milk	7,217	7,224	7,829
Fluid Creams	3,089	2,596	2,846
Bulk to Non-Handlers	53	134	803
Class I Shrinkage	991	599	1,934
Inventory Reclassification	(885)	(676)	(838)
Overstated Sales	(207)	(25)	-
<u>Total Class I Milk</u>	<u>335,821</u>	<u>345,341</u>	<u>336,344</u>
% May '61 compared with:	100.0	97.2	99.8
Class II Milk: (Used to Produce)			
Butter	15,729	13,148	7,318
Cottage Cheese	14,493	16,326	12,635
Powdered and Condensed Milk	138,655	104,860	67,318
Ice Cream	33,383	26,086	25,421
Inventory Variation	(6,429)	7,458	2,446
Other	11,385	11,356	9,615
<u>Total Class II Milk</u>	<u>207,216</u>	<u>179,234</u>	<u>124,753</u>
% May '61 compared with:	100.0	115.6	166.1
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>543,037</u>	<u>524,575</u>	<u>461,097</u>
% Producer Milk of Gross Class I	148.7	144.8	132.0
% Delivered Base of Gross Class I	127.9	125.6	116.2
% Delivered Base Priced in Class I	77.2	78.6	84.8
% Producer Milk Priced in Class I	66.4	68.1	74.7

JUNE 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>June '61</u>	<u>May '61</u>	<u>June '60</u>
Basic Formula (See page 4)	\$3.61	\$3.61	\$3.36
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.20)	(0.22)	0.12
Class I Price, 4.0% Butterfat	\$5.16	\$5.14	\$5.23
Per \$ 1000.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: April and May			
Supply: Lbs. Producer Milk (Apr. 15,005,967 and May 15,480,851)			30,486,818
Demand: Lbs. Net Class I Milk (Apr. 10,251,327 and May 10,314,357)			20,565,684
Utilization Percentage: Producer milk divided by Class I			148
Standard Utilization Percentage: Range 134-138			138
Net Deviation Percentage: Utilization minus Standard Utilization			plus 10
Supply-Demand Adjustment: 2 cents x 10 percentage points			minus \$0.20

Since the supply in relation to the demand is more than the desired standard, the price is decreased 20 cents per hundredweight (2 cents x 10 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR MAY 1961

Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,410,461	3.558		
Less Other Source		123,540	2.148		
Producer Milk Class I	66.4	10,286,921	3.574957	\$4.804216	\$494,205.90
Gross Class II		6,423,694	4.969		
Less Other Source		1,229,764	3.317		
Producer Milk Class II	33.6	5,193,930	5.360180	4.082126	212,022.77
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,480,851	4.173911		706,228.67
Add Fractional Adjustment					.02
Add Compensatory Payment Value					32.67
Add Overage Value					126.86
Add Inventory Reclassification Value					444.06
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					6,164.35
TOTAL VALUE AT TEST		15,480,851	4.173911		712,996.63
Less Test Over 4% @ 7.6¢ per point		15,480,851	.173911	0.132172	20,461.35
TOTAL PRODUCER MILK VALUE AT 4% TEST		15,480,851	4.0		692,535.28
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		2,163,808	\$3.13	\$67,727.19	
Total Excess Producer Milk		2,163,808	3.13	67,727.19	
Less Prod.-Settlement Fund Res. @ 4¢		2,163,808	.04		865.52
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		2,163,808	3.09		66,861.67
Value of Base Milk (Total less Excess)		13,317,043	4.691793		624,808.09
Less Producer-Settlement Fund Reserve		13,317,043	.041793		5,565.59
UNIFORM BASE PRICE f.o.b. PLANT - 4%		13,317,043	\$4.65		\$619,242.50

MAY 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.89	\$2.33	4.0%	\$4.65	\$3.09	5.0%	\$5.41	\$3.85
3.05	3.928	2.368	4.05	4.688	3.128	5.05	5.448	3.888
3.1	3.966	2.406	4.1	4.726	3.166	5.1	5.486	3.926
3.15	4.004	2.444	4.15	4.764	3.204	5.15	5.524	3.964
3.2	4.042	2.482	4.2	4.802	3.242	5.2	5.562	4.002
3.25	4.08	2.52	4.25	4.84	3.28	5.25	5.60	4.04
3.3	4.118	2.558	4.3	4.878	3.318	5.3	5.638	4.078
3.35	4.156	2.596	4.35	4.916	3.356	5.35	5.676	4.116
3.4	4.194	2.634	4.4	4.954	3.394	5.4	5.714	4.154
3.45	4.232	2.672	4.45	4.992	3.432	5.45	5.752	4.192
3.5	4.27	2.71	4.5	5.03	3.47	5.5	5.79	4.23
3.55	4.308	2.748	4.55	5.068	3.508	5.55	5.828	4.268
3.6	4.346	2.786	4.6	5.106	3.546	5.6	5.866	4.306
3.65	4.384	2.824	4.65	5.144	3.584	5.65	5.904	4.344
3.7	4.422	2.862	4.7	5.182	3.622	5.7	5.942	4.382
3.75	4.46	2.90	4.75	5.22	3.66	5.75	5.98	4.42
3.8	4.498	2.938	4.8	5.258	3.698	5.8	6.018	4.458
3.85	4.536	2.976	4.85	5.296	3.736	5.85	6.056	4.496
3.9	4.574	3.014	4.9	5.334	3.774	5.9	6.094	4.534
3.95	4.612	3.052	4.95	5.372	3.812	5.95	6.132	4.572

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '60	\$4.73 ^{2/}	\$4.96	\$3.02	7.2¢	\$5.34	7.5¢	\$3.06	6.7¢
June	4.83 ^{2/}	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 ^{2/}	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	4.89	3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 ^{2/}	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 ^{2/}	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	-	-	-	-	5.16	7.9	-	-

PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk	
May '60	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm---Pounds			Milk
	Cl.I	Cl.I	Repts.	Repts.	Repts.	Hdlr.Prod.		Prod.	Base	Exc.	Test%
May '60	336,344	331,632	444,101	390,950	461,097	19	697	637	561	76	4.16
June	327,515	322,519	390,059	360,248	406,662	19	695	561	518	43	4.11
July	327,075	322,754	391,646	354,554	408,644	19	690	568	514	54	4.06
Aug.	336,437	331,519	406,758	-	425,433	19	700	581	-	-	4.07
Sept.	384,465	379,222	453,829	-	465,087	18	707	642	-	-	4.12
Oct.	357,470	352,238	461,276	-	475,398	18	702	657	-	-	4.32
Nov.	357,816	350,520	456,896	-	473,586	18	699	654	-	-	4.41
Dec.	348,283	341,170	441,649	-	462,660	19	693	637	-	-	4.47
Jan. '61	350,656	344,899	438,453	-	453,505	19	682	643	-	-	4.46
Feb.	360,128	354,274	441,259	-	459,046	19	680	649	-	-	4.32
Mar.	358,450	353,996	470,370	425,350	491,234	19	679	693	626	67	4.22
Apr.	345,341	340,710	500,199	433,593	524,575	19	679	737	639	98	4.17
May	335,821	331,836	499,382	429,582	543,037	19	679	735	633	102	4.17

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Milk Marketing Orders Division
CHATTANOOGA TENNESSEE MILK MARKETING AREA
Federal Order No. 100

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

The Market Administrator received on June 2, 1961 the following request from the Chattanooga Area Milk Producers Association:

"Whereas, A determination was made by the Market Administrator in June 1960 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and the American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

Pursuant to the Chattanooga Area Milk Producers Association's resolution, a review of current producer deductions, and other means, the Market Administrator hereby determines there is no substantial opposition to these programs by milk producers in the Chattanooga area. It is possible, under this determination, for handlers to cooperate with the Dairy Council and American Dairy Association programs by making specific hundredweight deductions from their payments to milk producers (1¢ DC and 2¢ ADA), provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1961. All handlers are advised not to make the "set aside" if a producer writes requesting that no deduction be made.

/s/ J. B. McCroskey
Market Administrator

Date: June 10, 1961

